001

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO:	6. SURFACE:
ML-46699	State

1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐

7. IF INDIAN, ALLOTTEE OR TRIBE NAME:

B. TYPE OF WELL: OIL ☐ GAS ☑ OTHER _____ SINGLE ZONE ☑ MULTIPLE ZONE ☐

8. UNIT or CA AGREEMENT NAME:

2. NAME OF OPERATOR:
WESTPORT OIL & GAS COMPANY, L.P.

9. WELL NAME and NUMBER:
STATE 1022-36J

3. ADDRESS OF OPERATOR:
1368 S 1200 E CITY VERNAL STATE UT ZIP 84078

PHONE NUMBER:
(435) 781-7060

10. FIELD AND POOL, OR WILDCAT:
~~SOUTH~~ NBU

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 1821' FSL 1852' FEL 44180664Y 39.90332 -109.38460 638091X
AT PROPOSED PRODUCING ZONE:

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NWSE 36 10S 22E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:
34.3 MILES SOUTHEAST OF OURAY, UTAH

12. COUNTY:
UINTAH

13. STATE:
UTAH

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)	16. NUMBER OF ACRES IN LEASE:	17. NUMBER OF ACRES ASSIGNED TO THIS WELL:
1821'	160	40

18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)	19. PROPOSED DEPTH:	20. BOND DESCRIPTION:
REFER TO TOPO C	9,200	RLB00005238

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):	22. APPROXIMATE DATE WORK WILL START:	23. ESTIMATED DURATION:
5695.3' GL		TO BE DETERMINED

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12 1/4"	9 5/8" H-40 STC 32.3#	2,000	LEAD- PREM CMT	215 SX	1.18	15.6 PPG
			TOP OUT CMT	50 SX	1.18	15.6 PPG
7 7/8"	4 1/2" LTC 11.6#	9,200	LEAD- PREM LITE II	370 SX	3.38	11 PPG
			TAIL- 50/50 POZ/G	1630 SX	1.31	14.3 PPG

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☑ COMPLETE DRILLING PLAN
☑ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) DEBRA DOMENICI TITLE SR ADMINISTRATIVE ASSISTANT

SIGNATURE Debra Domenici DATE 2/12/2004

(This space for State use only)

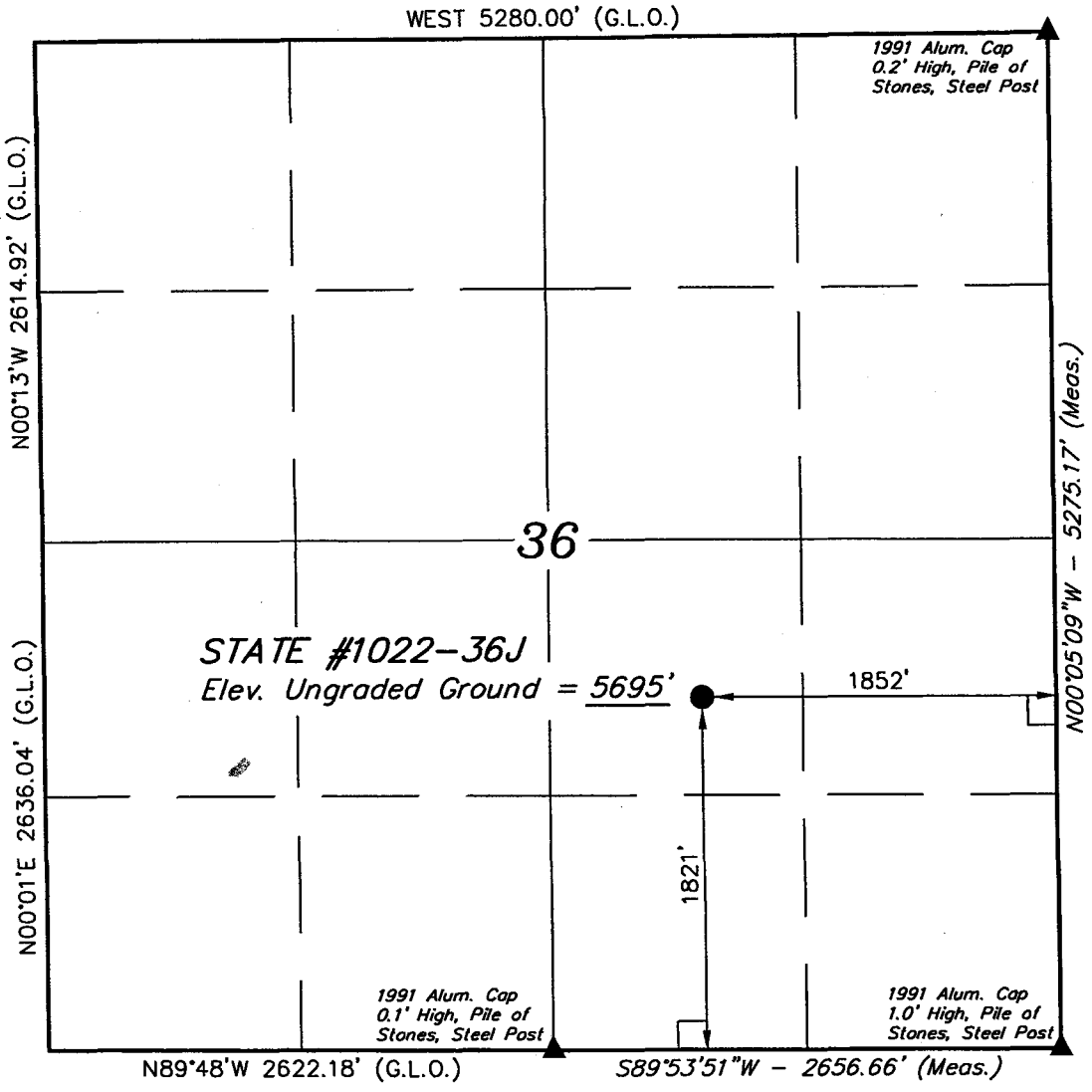
API NUMBER ASSIGNED: 43-047-35513

Approved by the Utah Division of Oil, Gas and Mining
APPROVAL
Date: 03-16-04
By: (See Instructions on Reverse Side)

RECEIVED
FEB 19 2004
DIV. OF OIL, GAS & MINING

(11/2001)

T10S, R22E, S.L.B.&M.



WESTPORT OIL AND GAS COMPANY, L.P.

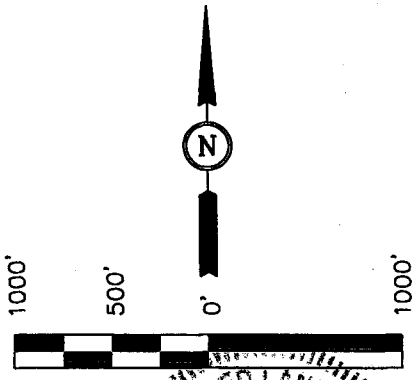
Well location, STATE #1022-36J, located as shown in the NW 1/4 SE 1/4 of Section 36, T10S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)
LATITUDE = 39°54'11.32" (39.903144)
LONGITUDE = 109°23'07.71" (109.385475)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE	DATE SURVEYED:	DATE DRAWN:
1" = 1000'	01-21-04	01-23-04
PARTY: K.K. D.J. G.S. D.COX	REFERENCES: G.L.O. PLAT	
WEATHER: COLD	FILE: WESTPORT OIL AND GAS COMPANY, L.P.	

STATE 1022-36J
NW/SE SECTION 36-T10S-R22E
UINTAH COUNTY, UTAH
LEASE NUMBER: ML-46699

ONSHORE ORDER NO. 1
WESTPORT OIL & GAS COMPANY

DRILLING PROGRAM

1. **Estimated Tops of Important Geologic Markers:**

Formation	Depth
Uinta	Surface
Green River	1060'
Wasatch	3885'
Mesa Verde	6050'
Total Depth	9200'

2. **Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

Substance	Formation	Depth
	Green River	1060'
Gas	Wasatch	3885'
	Mesa Verde	6050'
Water	N/A	
Other Minerals	N/A	

3. **Pressure Control Equipment:**

Please refer to the attached Drilling Program.

4. **Proposed Casing & Cementing Program:**

Please refer to the attached Drilling Program.

5. **Drilling Fluids Program:**

Please refer to the attached Drilling Program.

6. **Evaluation Program:**

Please refer to the attached Drilling Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure at 9200' TD approximately equals 3680 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1656 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates & Notification of Operations:**

Please refer to the attached Drilling Program.

9. **Variances:**

Please refer to the attached Drilling Program.

10. **Other Information:**

Please refer to the attached Drilling Program.

STATE 1022-36J
NW/SE Sec. 36, T10S-R22E
Uintah County, UT
ML-46699

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. **Existing Roads:**

Refer to Topo Map A for directions to the location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

Refer to Topo Maps A and B for location of access roads within a 2 mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. **Planned Access Roads:**

Approximately 1.6 miles of new access road is proposed. Refer to Topo Map B for the location of the proposed access road.

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet. Appropriate water control will be installed to control erosion.

Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities will be determined at the on-site.

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

3. **Location of Existing Wells Within a 1-Mile Radius:**

Please refer to Topo Map C.

4. **Location of Existing & Proposed Facilities & Pipelines:**

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain

fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon, standard color number 2.5Y 6/2.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Approximately 7,200' of up to 8" pipeline is proposed. The pipeline will be butt-welded together. Refer to Topo D for the proposed pipeline.

5. **Location and Type of Water Supply:**

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. **Source of Construction Materials:**

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. **Methods of Handling Waste Materials:**

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner and felt will be used, it will be a minimum of 16 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled By truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E.

8. **Ancillary Facilities:**

None are anticipated.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

The reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Location size may change prior to the drilling of the well due to current rig availability. If the proposed location is not large enough to accommodate the drilling rig the location will be re-surveyed and a Form 9 shall be submitted.

10. Plans for Reclamation of the Surface:

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

A plastic, nylon reinforced liner will be used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

11. Surface Ownership:

SITLA
675 East 500 South, Suite 500
Salt Lake City, UT 84102

12. Other Information:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

A Class III archaeological survey will be submitted when it is received by our office.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it Within 460' of any non-committed tract lying within the boundaries of the Unit.

13. Lessee's or Operators's Representative & Certification:

Debra Domenici
Sr. Administrative Assistant
Westport O&G Co.
P.O. Box 1148
Vernal, UT 84078
(435) 781-7060

Randy Bayne
Drilling Manager
Westport O&G Co.
P.O. Box 1148
Vernal, UT 84078
(435)781-7018

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Westport O&G Co. is considered to be the operator of the subject well. Westport O&G Co. agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by State Surety Bond #RLB0005238.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Debra Domenici

Debra Domenici

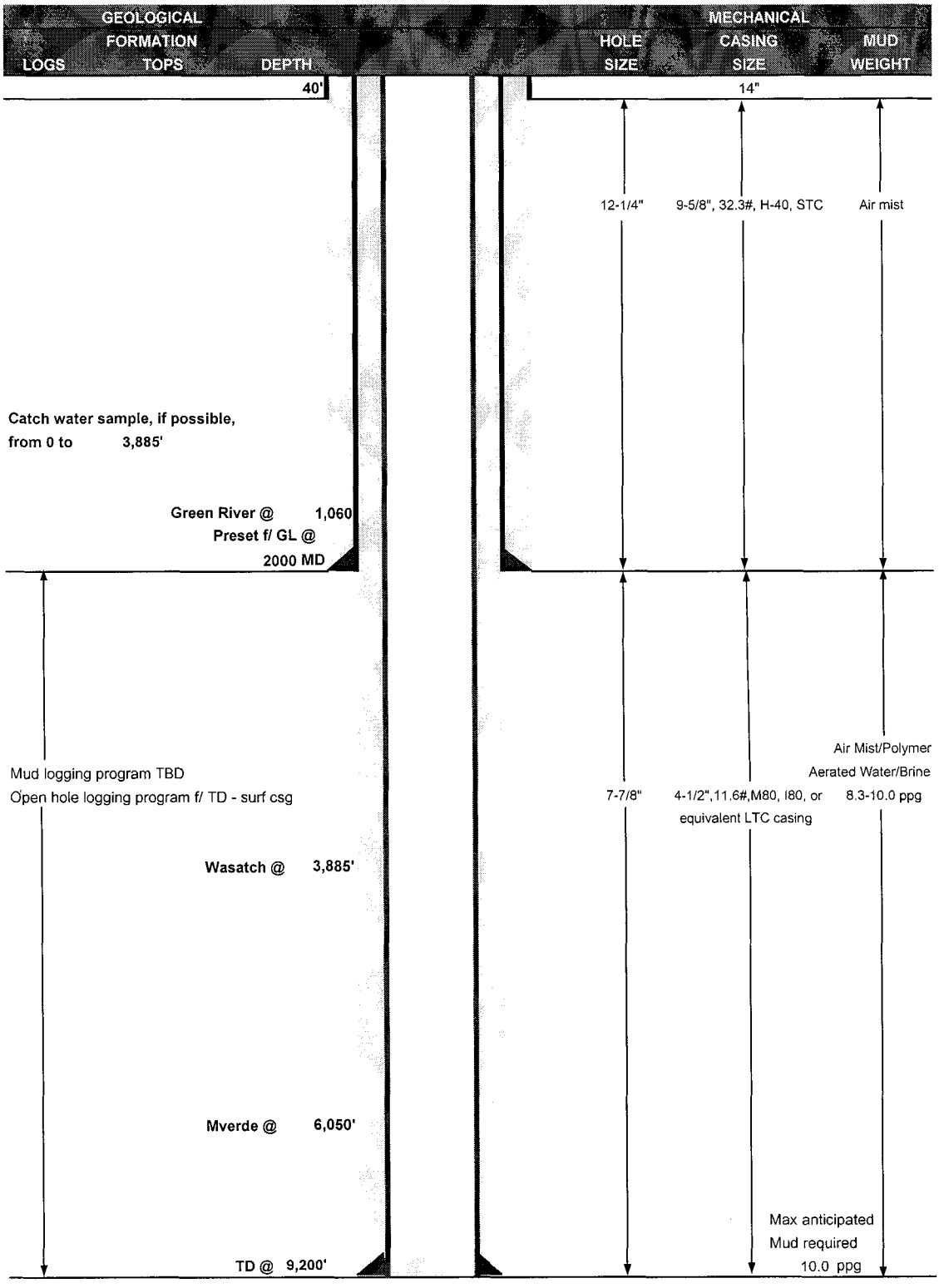
2/12/04

Date

Westport Oil and Gas Company, L.P.

DRILLING PROGRAM

COMPANY NAME	Westport Oil and Gas Co., L.P.	DATE	February 10, 2004
WELL NAME	**STATE 1022-36J**	TD	9,200' MD/TVD
FIELD	Natural Buttes COUNTY Uintah STATE Utah	ELEVATION	5,693' GL KB 5,708'
SURFACE LOCATION	1821' FSL & 1852' FEL NWSE SEC.36, T10S, R22E	BHL	Straight Hole
	Lat (39.903144) Long (109.385475)		
OBJECTIVE ZONE(S)	Wasatch/Mesaverde		
ADDITIONAL INFO	Regulatory Agencies: BLM, UDOGM (SURFACE & MINERALS), Tri-County Health Dept.		



Westport Oil and Gas Company, L.P.

DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS BURST	COLLAPSE	TENSION
CONDUCTOR	16"	0-20'				2270	1370	254000
SURFACE	9-5/8"	0 to 2000	32.30	H-40	STC	0.82********	1.46	4.49
						7780	6350	201000
PRODUCTION	4-1/2"	0 to 9200	11.60	M-80 or I-80	LTC	2.82	1.33	2.16

1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)

2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)

(Burst Assumptions: TD = 10.0 ppg) .22 psi/ft = gradient for partially evac wellbore

(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

MASP 2760 psi

******** Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
Option 1	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE		**NOTE: If well will circulate water to surface, option 2 will be utilized**					
Option 2	LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,380'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	370	60%	11.00	3.38
	TAIL	5,820'	50/50 Poz/G + 10% salt + 2% gel + .1% R-3	1630	60%	14.30	1.31

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

*Substitute caliper hole volume plus 15% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 3M with one annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

DRILLING ENGINEER: _____ **DATE:** _____

WESTPORT OIL AND GAS COMPANY, L.P.
STATE #1022-36J
SECTION 36, T10S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 9.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 2.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 4.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 1.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 1.1 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 1.6 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 65.3 MILES.

WESTPORT OIL AND GAS COMPANY, L.P.

STATE#1022-36J

LOCATED IN UINTAH COUNTY, UTAH
SECTION 36, T10S, R22E, S.L.B.&M.

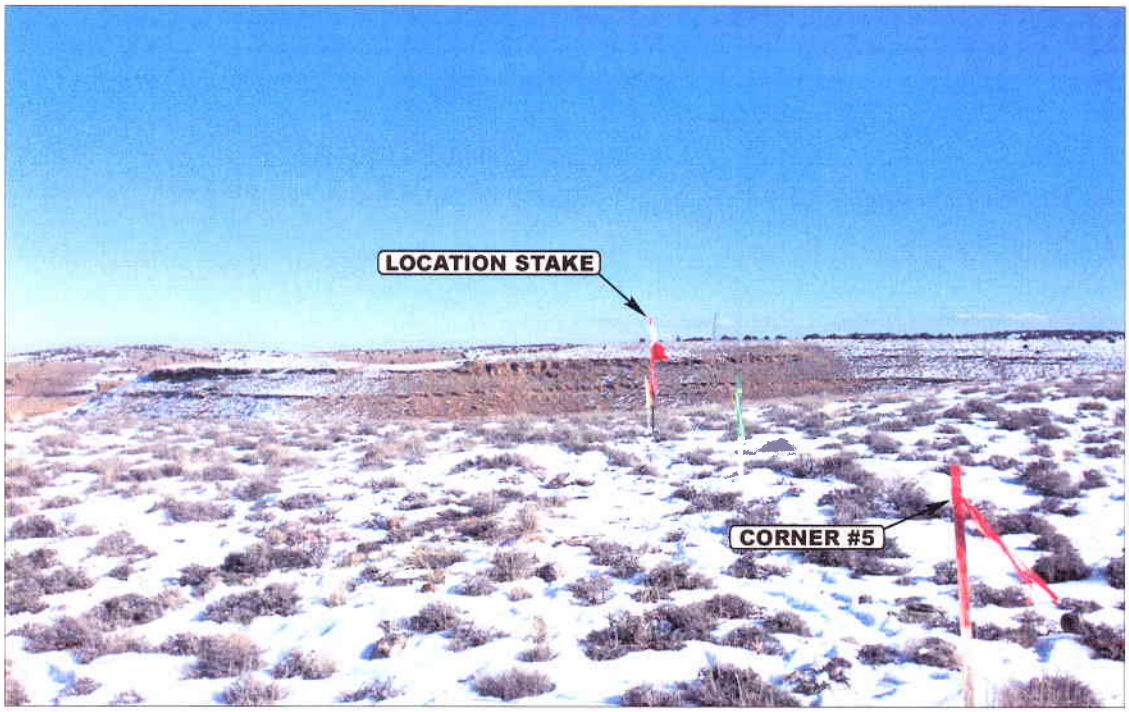
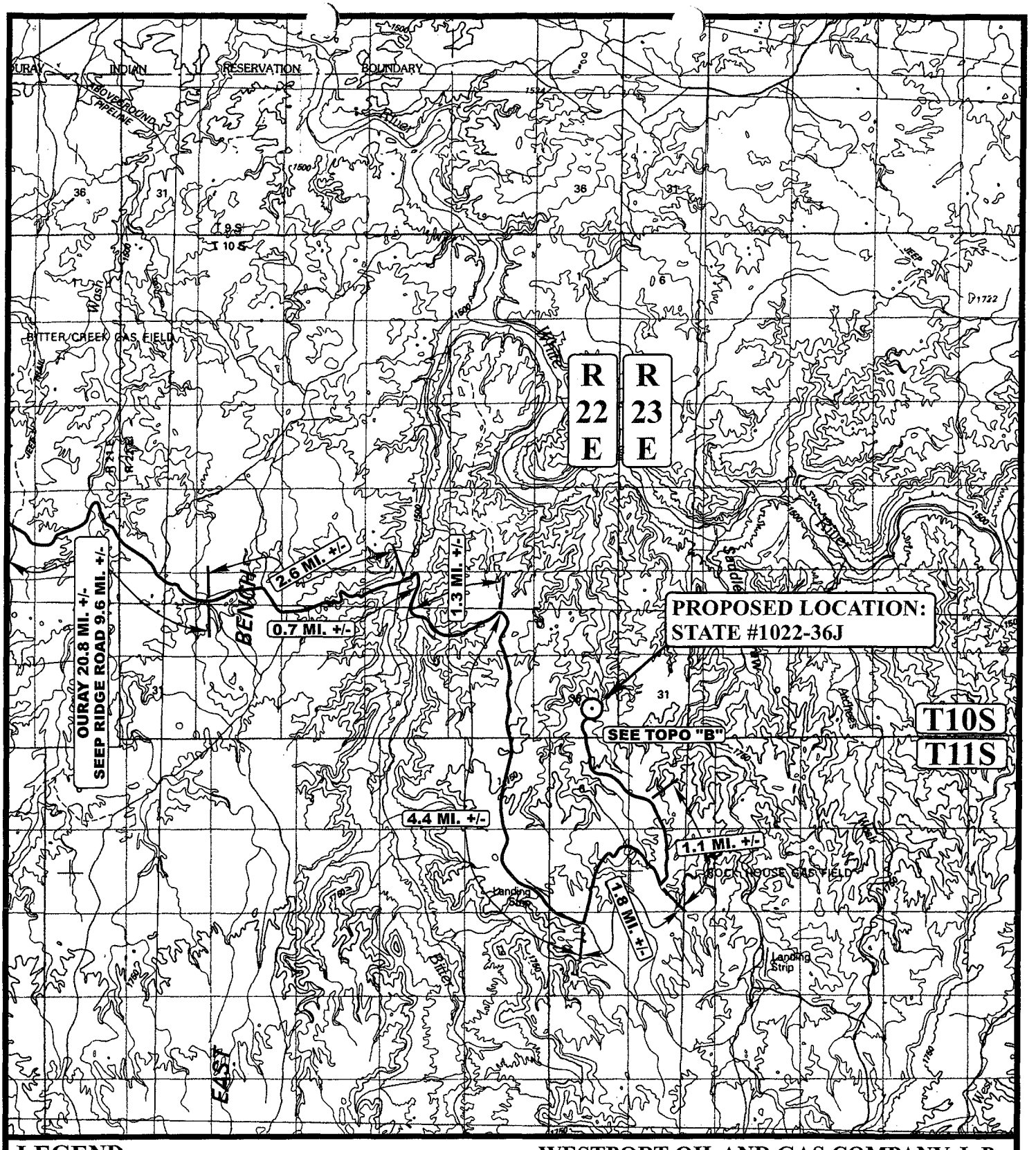


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE **CAMERA ANGLE: EASTERLY**

PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS **CAMERA ANGLE: NORTHWESTERLY**

- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	01 MONTH	28 DAY	04 YEAR	PHOTO
TAKEN BY: K.K.	DRAWN BY: P.M.	REVISED: 00-00-00		



LEGEND:

⊙ PROPOSED LOCATION

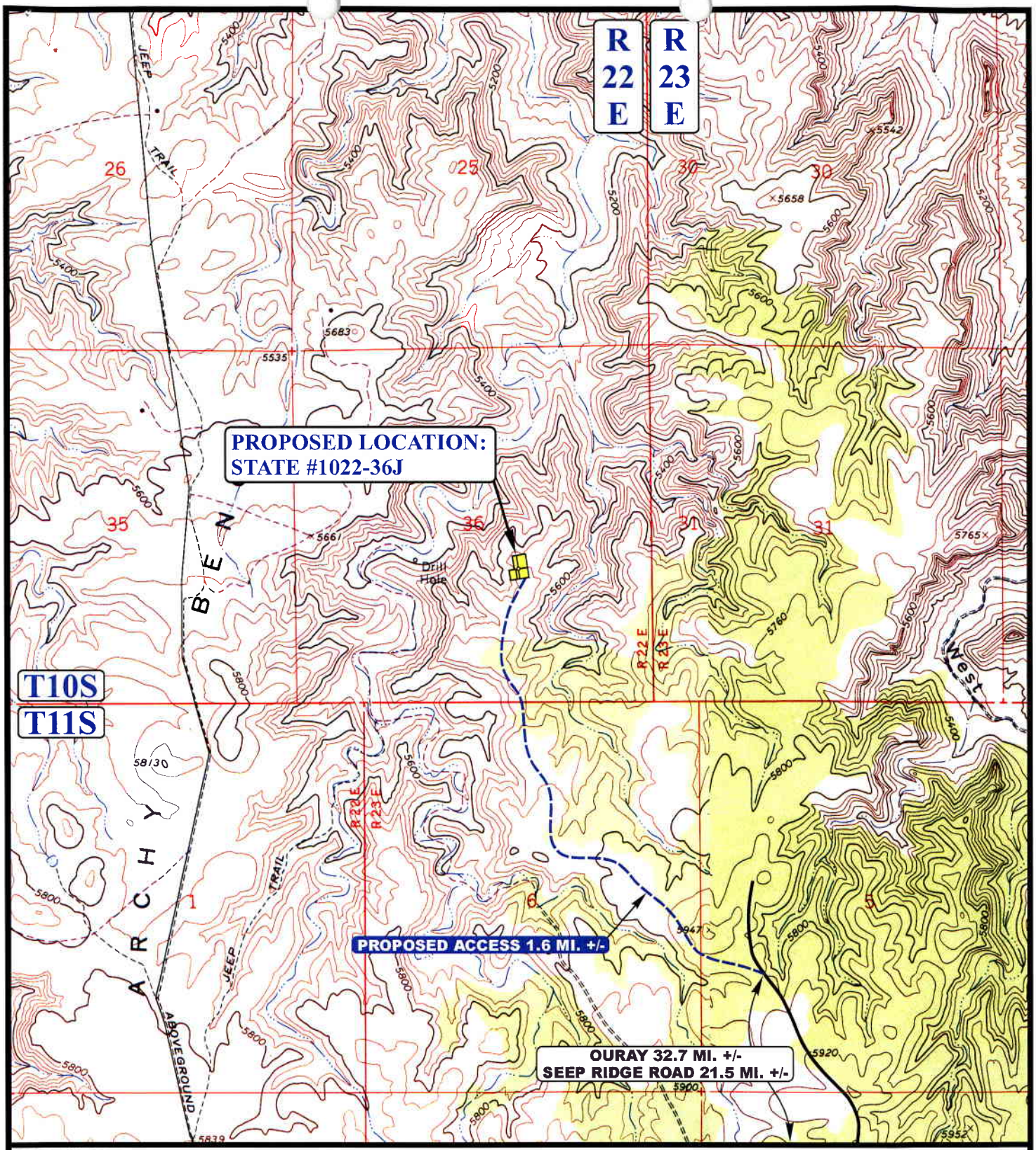
N

WESTPORT OIL AND GAS COMPANY, L.P.

STATE #1022-36J
SECTION 36, T10S, R22E, S.L.B.&M.
1821' FSL 1852' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	01 MONTH	28 DAY	04 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: P.M.	REVISED: 00-00-00		



LEGEND:

EXISTING ROAD

PROPOSED ACCESS ROAD

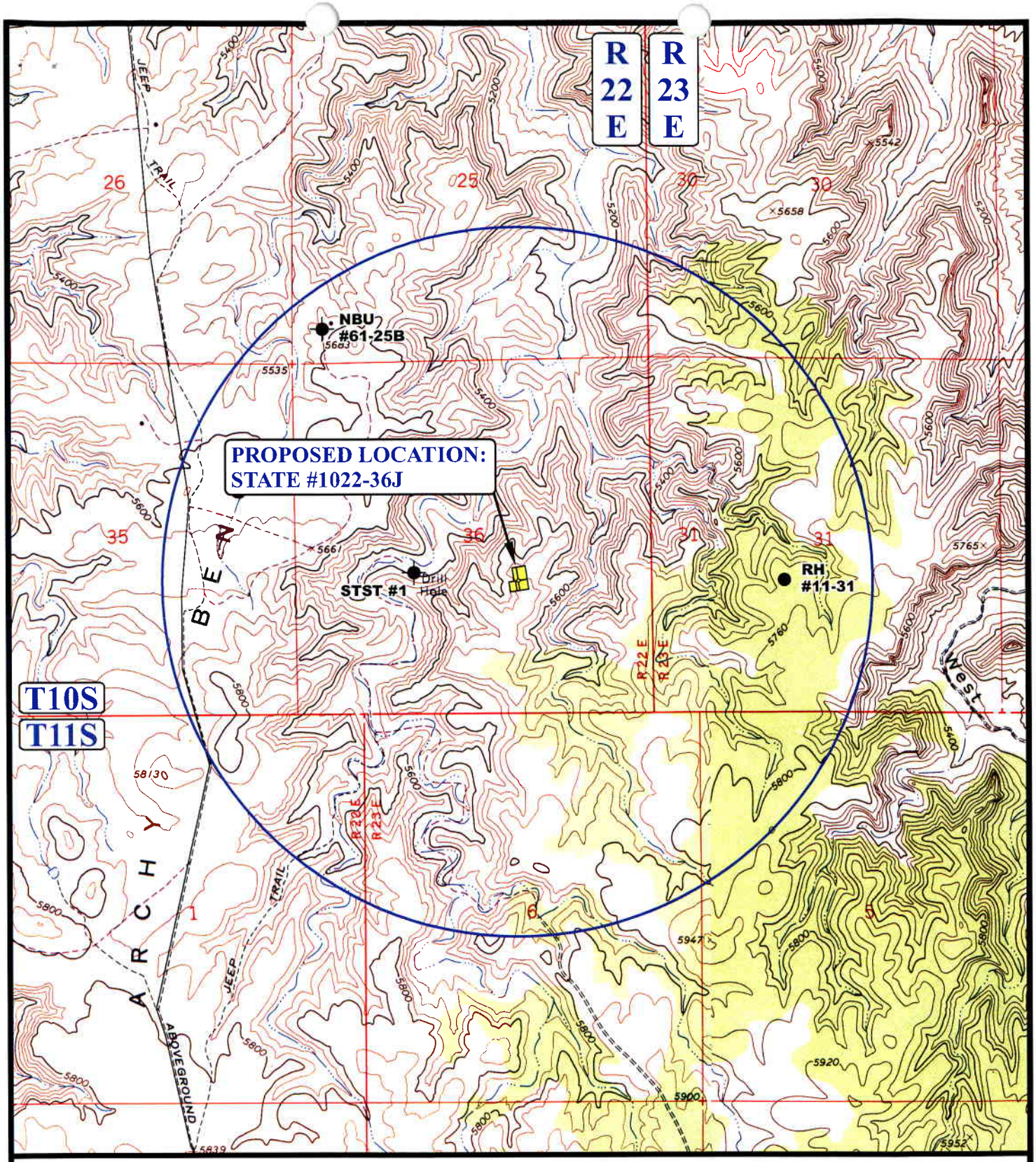
N

WESTPORT OIL AND GAS COMPANY, L.P.

STATE #1022-36J
SECTION 36, T10S, R22E, S.L.B.&M.
1821' FSL 1852' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	01 MONTH	28 DAY	04 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: P.M.	REVISED: 00-00-00		



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

N

WESTPORT OIL AND GAS COMPANY, L.P.

STATE #1022-36J
SECTION 36, T10S, R22E, S.L.B.&M.
1821' FSL 1852' FEL

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TOPOGRAPHIC MAP	01 MONTH	28 DAY	04 YEAR
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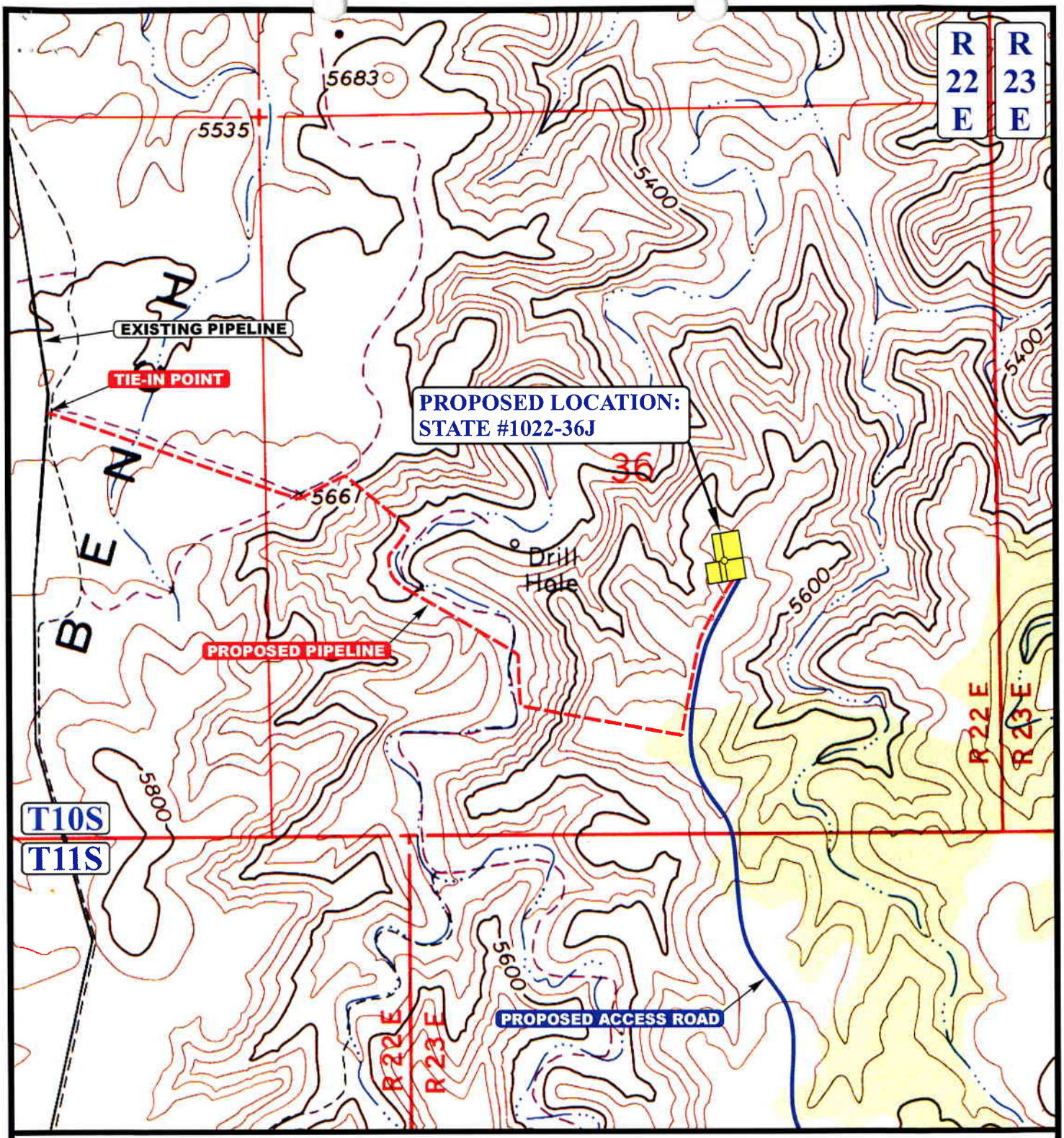


APPROXIMATE TOTAL PIPELINE DISTANCE = 7,200' +/-

LEGEND:

PROPOSED ACCESS ROAD
EXISTING PIPELINE
PROPOSED PIPELINE

N

WESTPORT OIL AND GAS COMPANY, L.P.

STATE #1022-36J
SECTION 36, T10S, R22E, S.L.B.&M.
1821' FSL 1852' FEL

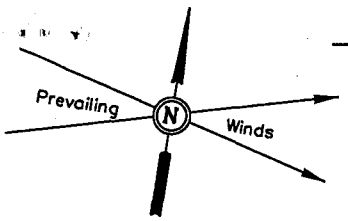
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	01 MONTH	28 DAY	04 YEAR	D TOPO
SCALE: 1" = 1000'	DRAWN BY: P.M.	REVISED: 00-00-00		

WESTPORT OIL AND GAS COMPANY, L.P.

LOCATION LAYOUT FOR

STATE #1022-36J
SECTION 36, T10S, R22E, S.L.B.&M.
1821' FSL 1852' FEL



SCALE: 1" = 50'
DATE: 01-23-04
Drawn By: D.COX

F-11.2'
El. 681.7'

Sta. 3+50

F-10.4'
El. 682.5'

F-3.9'
El. 689.0'

Topsoil Stockpile

Round Corners as Needed

Approx. Top of Cut Slope

60'

200'

REGISTERED LAND SURVEYOR
No. 161319
ROBERT L. KAY
STATE OF UTAH

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.

Approx. Toe of Fill Slope

PIPE TUBS

PIPE RACKS

CATWALK

Pit Topsoil

FLARE PIT

C-2.1'
El. 695.0'

C-2.8'
El. 695.7'

C-2.4'
El. 695.3'

F-4.0'
El. 688.9'

Blooie Line

RIG

22'

38'

135'

Sta. 1+50

El. 688.5'
C-5.6'
(btm. pit)

100'

MUD TANKS

DOG HOUSE

TOILET

TRAILER

RESERVE PITS
(10' Deep)

LIGHT PLANT

BOILER

COMPRESSOR

PUMP HOUSE

WATER TANK

BOOSTER

MUD TANKS

Reserve Pit Backfill & Spoils Stockpile

15' WIDE BENCH/DIKE

150'

Total Pit Capacity
W/2' of Freeboard
= 14,440 Bbls. ±
Total Pit Volume
= 3,920 Cu. Yds.

1 1/2:1 Slope

TRASH

150'

C-11.4'
El. 704.3'

PROPANE STORAGE

Sta. 0+15

35'

El. 694.1'
C-11.2'
(btm. pit)

Sta. 0+00

F-0.7'
El. 692.2'

C-10.2'
El. 703.1'

T.S.

Proposed Access Road

NOTES:

Elev. Ungraded Ground At Loc. Stake = 5695.3'
FINISHED GRADE ELEV. AT LOC. STAKE = 5692.9'

FIGURE #1

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

WESTPORT OIL AND GAS COMPANY, L.P.

FIGURE #2

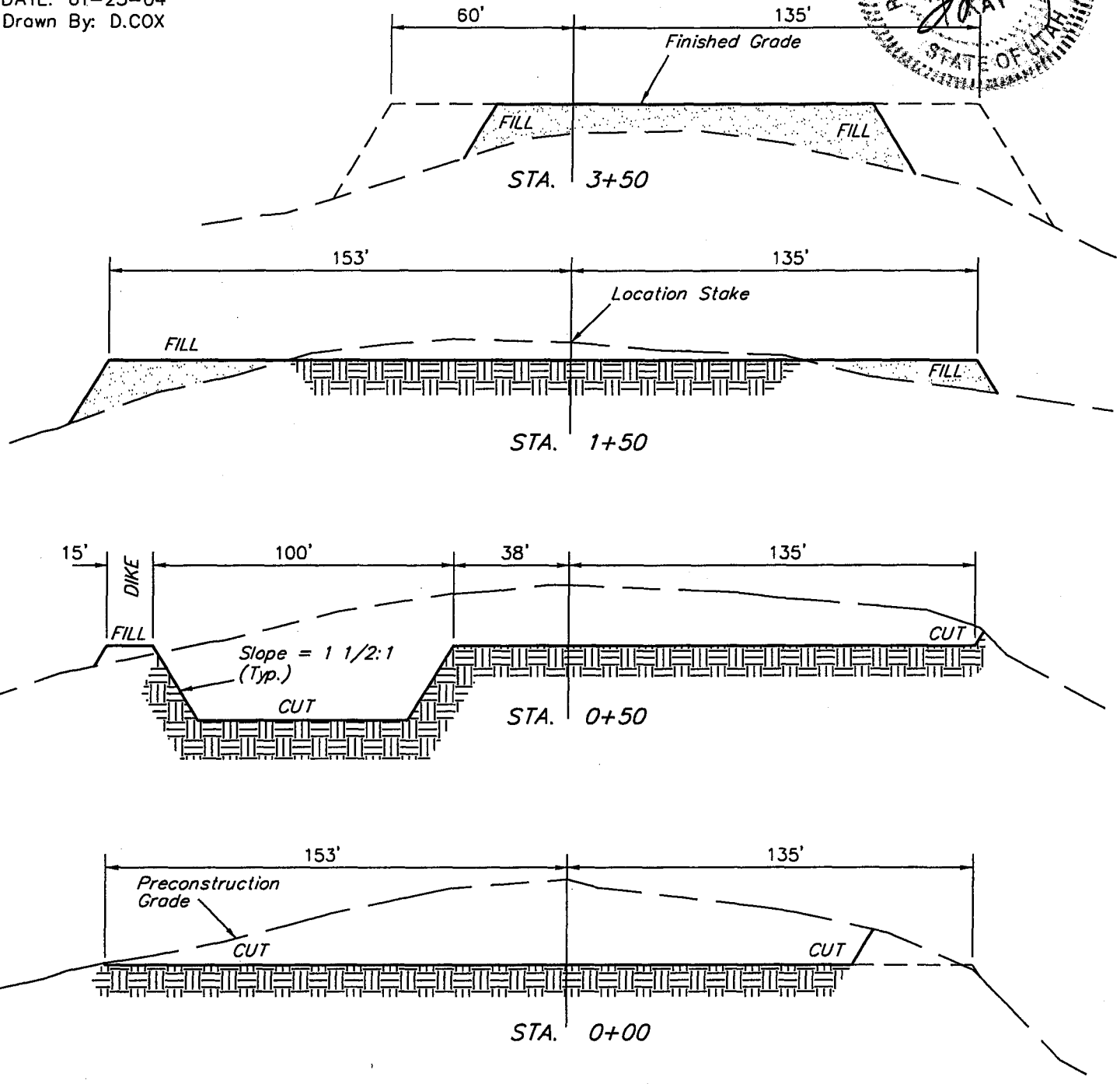
TYPICAL CROSS SECTIONS FOR

STATE #1022-36J
SECTION 36, T10S, R22E, S.L.B.&M.
1821' FSL 1852' FEL

1" = 20' X-Section Scale
1" = 50'

DATE: 01-23-04
Drawn By: D.COX

REGISTERED LAND SURVEYOR
No. 161319
STATE OF UTAH



APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 1,590 Cu. Yds.
Remaining Location = 10,210 Cu. Yds.

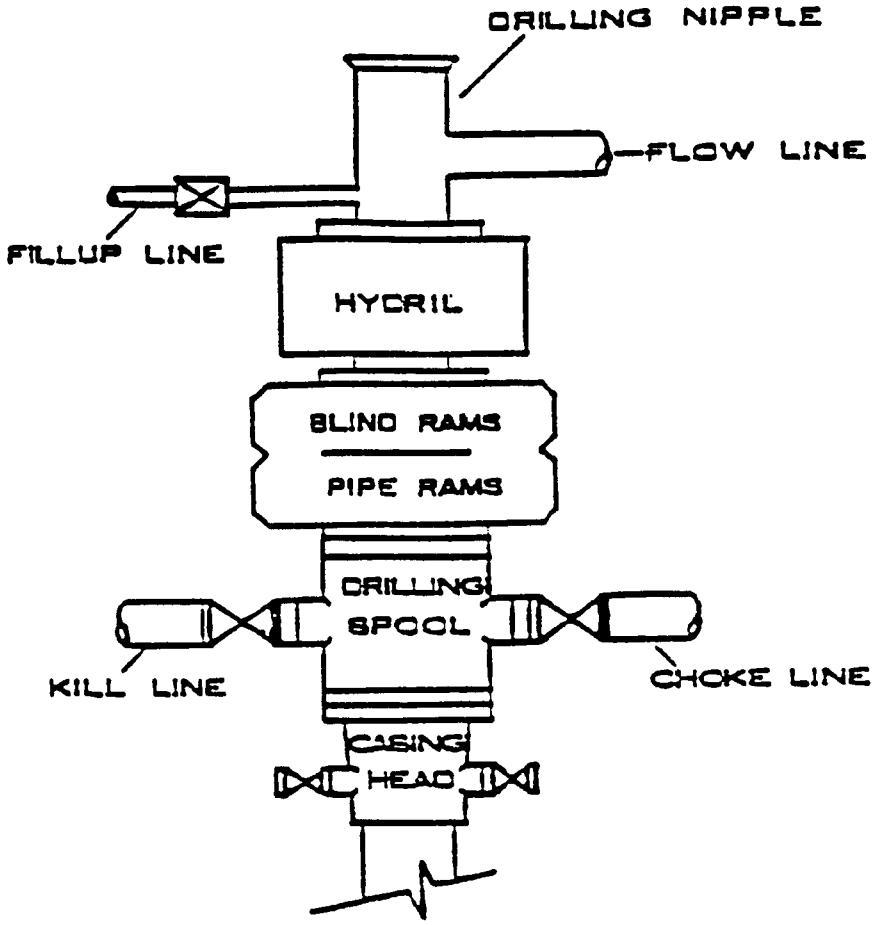
TOTAL CUT = 11,800 CU.YDS.
FILL = 7,840 CU.YDS.

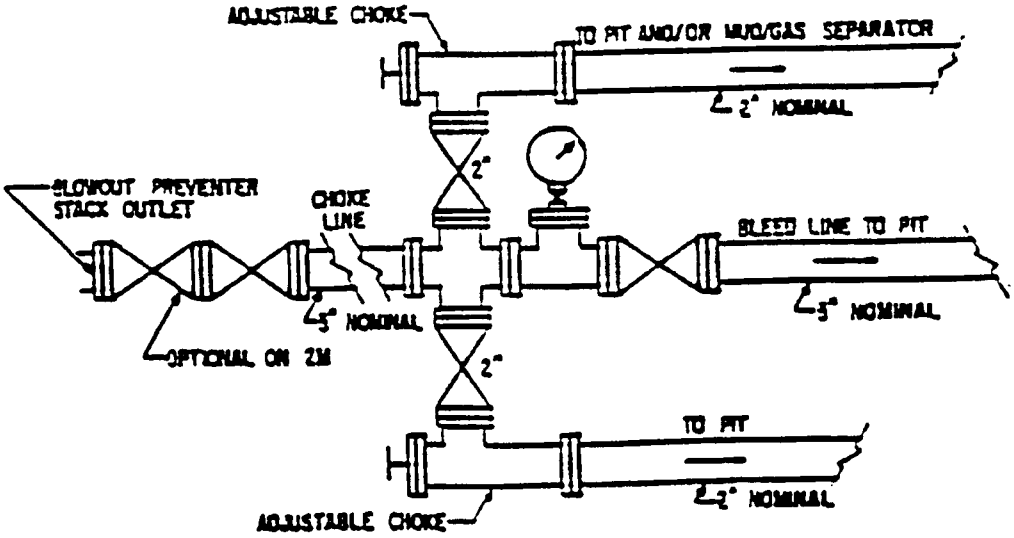
EXCESS MATERIAL AFTER 5% COMPACTION = 3,550 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.) = 3,550 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation) = 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

3,000 PSI

BOP STACK





003

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/19/2004

API NO. ASSIGNED: 43-047-35513

WELL NAME: STATE 1022-36J
OPERATOR: WESTPORT OIL & GAS CO (N2115)
CONTACT: DEBRA DOMENICI

PHONE NUMBER: 435-781-7060

PROPOSED LOCATION:
NWSE 36 100S 220E
SURFACE: 1821 FSL 1852 FEL
BOTTOM: 1821 FSL 1852 FEL
UINTAH
NATURAL BUTTES (630)

LEASE TYPE: 3 - State
LEASE NUMBER: ML-46699 OK
SURFACE OWNER: 3 - State
PROPOSED FORMATION: MVRD
COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DKD	3/15/04
Geology		
Surface		

LATITUDE: 39.90332
LONGITUDE: 109.38460

RECEIVED AND/OR REVIEWED:

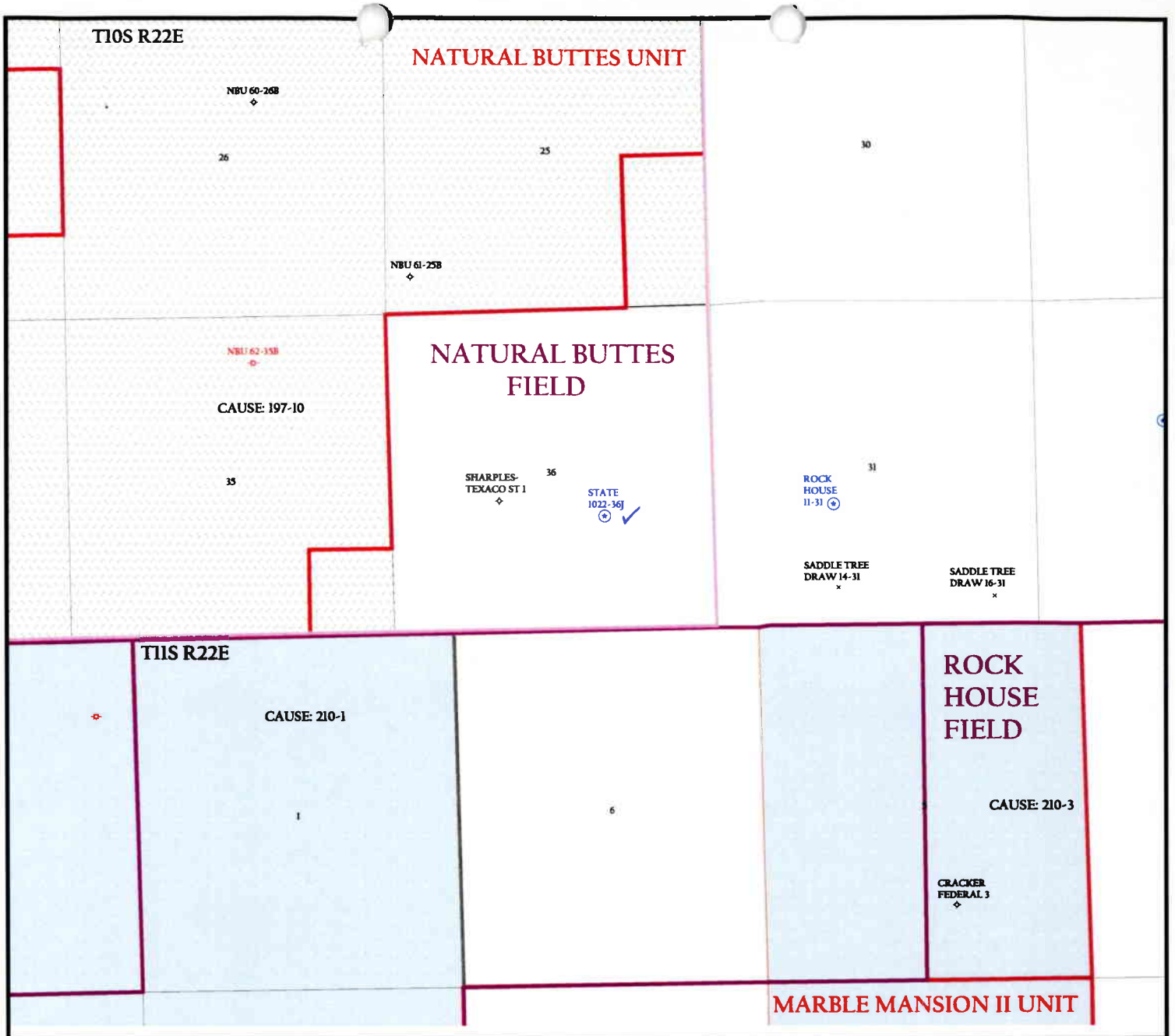
✓ Plat
✓ Bond: Fed[] Ind[] Sta[3] Fee[]
(No. RLB00005238 OK)
N Potash (Y/N)
Y Oil Shale 190-5 (B) or 190-3 or 190-13
✓ Water Permit
(No. 43-8496)
N RDCC Review (Y/N)
(Date:)
NA Fee Surf Agreement (Y/N)

LOCATION AND SITING:

___ R649-2-3.
Unit ___
✓ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
___ R649-3-3. Exception
___ Drilling Unit
Board Cause No: ___
Eff Date: ___
Siting: ___
___ R649-3-11. Directional Drill

COMMENTS: Needs Presite (03-04-04)

STIPULATIONS: 1-Spacing Slip
(2) Oil Shale
(3) Surface Casing Cement Stip
(4) STATEMENT OF BASIS



OPERATOR: WESTPORT O&G CO (N2115)

SEC. 36 T.10S, R.22E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

Utah Oil Gas and Mining

Wells
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL

Unit Status
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

N
W E
S

PREPARED BY: DIANA WHITNEY
DATE: 20-FEBRUARY-2004

DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

OPERATOR: WESTPORT OIL AND GAS COMPANY, L.P.
WELL NAME & NUMBER: STATE 1022-36J
API NUMBER: 43-047-35513
LOCATION: 1/4,1/4 NW/SE Sec: 36 TWP: 10S RNG: 22E 1852' FEL 1821' FSL

Geology/Ground Water:

Westport proposes to set 2,000' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 4,700'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the proposed location . The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Production casing cement should be brought to above the base of the moderately saline groundwater in order to isolate it from fresher waters uphole.

Reviewer: Brad Hill **Date:** 03/10/04

Surface:

The predrill investigation of the surface was performed on 03/04/04. Floyd Bartlett with DWR and Ed Bonner with SITLA were invited to this investigation on 02/25/04. Both were present. Neither had concerns regarding the construction of this location or the drilling of the well. This site is on State surface, with State minerals, and appears to be the best site for a location in the immediate area. There are numerous sandstone outcroppings on the slopes below and to the east and west of this site. Because this sandstone is directly below the site, it will be necessary to drill and shoot to construct the reserve pit. Because of this, a 20 mil liner and felt sub-liner will be required in the reserve pit. Mr. Estes agreed to this. Mr. Estes stated that there was a possibility this location might be used to drill additional wells directionally because of the steep inaccessible draws to the east and west.

Reviewer: David W. Hackford **Date:** 03/04/2004

Conditions of Approval/Application for Permit to Drill:

1. A 20 mil liner and felt subliner will be required for the reserve pit.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: WESTORT OIL AND GAS COMPANY, L.P.
WELL NAME & NUMBER: STATE 1022-36J
API NUMBER: 43-047-35513
LEASE: ML-46699 **FIELD/UNIT:** SOUTHMAN
LOCATION: 1/4,1/4 NW/SE **Sec:** 36 **TWP:** 10S **RNG:** 22E 1852' FEL 1821' FSL
LEGAL WELL SITING: 460 F **SEC. LINE;** 460 F **1/4,1/4 LINE;** 920 F **ANOTHER WELL.**
GPS COORD (UTM): 638079E 4418048N **SURFACE OWNER:** STATE OF UTAH

PARTICIPANTS

DAVID W. HACKFORD (DOGM), FLOYD BARTLETT (DWR), ED BONNER (SITLA), CLAY EINERSON, CARROLL ESTES, DEBRA DOMENICI (WESTPORT), COLBY KAY (UELS).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

SITE IS ON TOP OF A HIGH, STEEP RIDGE WITH SHARP, ROCKY DRAWS 1200' TO THE EAST AND WEST. THESE DRAWS COME TOGETHER 0.6 MILES TO THE SOUTH AND CONTINUE ON TO THE SOUTH FOR THREE MILES TO THE WHITE RIVER. OURAY, UTAH IS 34.3 MILES TO THE NORTHWEST. ARCHY BENCH IS ONE MILE TO THE WEST.

SURFACE USE PLAN

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING, HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 350' BY 273'. ACCESS ROAD WILL BE 1.6 MILES.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE ATTACHED MAP FROM GIS DATABASE.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED AFTER DRILLING WELL. PIPELINE WILL FOLLOW ACCESS ROAD FOR 0.25 MILES THEN RUN TO THE WEST FOR 1.1 MILES TO AN EXISTING LINE ON ARCHY BENCH.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WASTE MANAGEMENT PLAN:

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: SAGE, GREASEWOOD, JUNIPER, PRICKLY PEAR, SHADSCALE, CHEATGRASS: PRONGHORN, RODENTS, SONGBIRDS, RAPTORS, COYOTE, RABBITS,

DEER, COUGAR.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY.

EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION. SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION SHOULDN'T CAUSE AN INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED

RESERVE PIT

CHARACTERISTICS: 150' BY 100' AND 10' DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A 20 MIL LINER AND FELT SUBLINER WILL BE REQUIRED FOR RESERVE PIT.

SURFACE RESTORATION/RECLAMATION PLAN

AS PER SITLA.

SURFACE AGREEMENT: **AS PER SITLA.**

CULTURAL RESOURCES/ARCHAEOLOGY: SITE WILL BE INSPECTED BY MONTGOMERY ARCHEOLOGICAL CONSULTANTS. A REPORT OF THIS INVESTIGATION WILL BE PLACED ON FILE.

OTHER OBSERVATIONS/COMMENTS

THIS PREDRILL INVESTIGATION WAS CONDUCTED ON A COOL, SUNNY DAY.

ATTACHMENTS

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD	3-4-04, 12:30 PM
DOGM REPRESENTATIVE	DATE/TIME

Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements

Site-Specific Factors	Ranking	Site Ranking
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	5
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	0
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	0
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	0
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	20
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid containing significant levels of hazardous constituents	15 20	5
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	0
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	0
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	0
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	0

Final Score 30 (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.
Sensitivity Level II = 15-19; lining is discretionary.
Sensitivity Level III = below 15; no specific lining is required.


MAR 8 2004

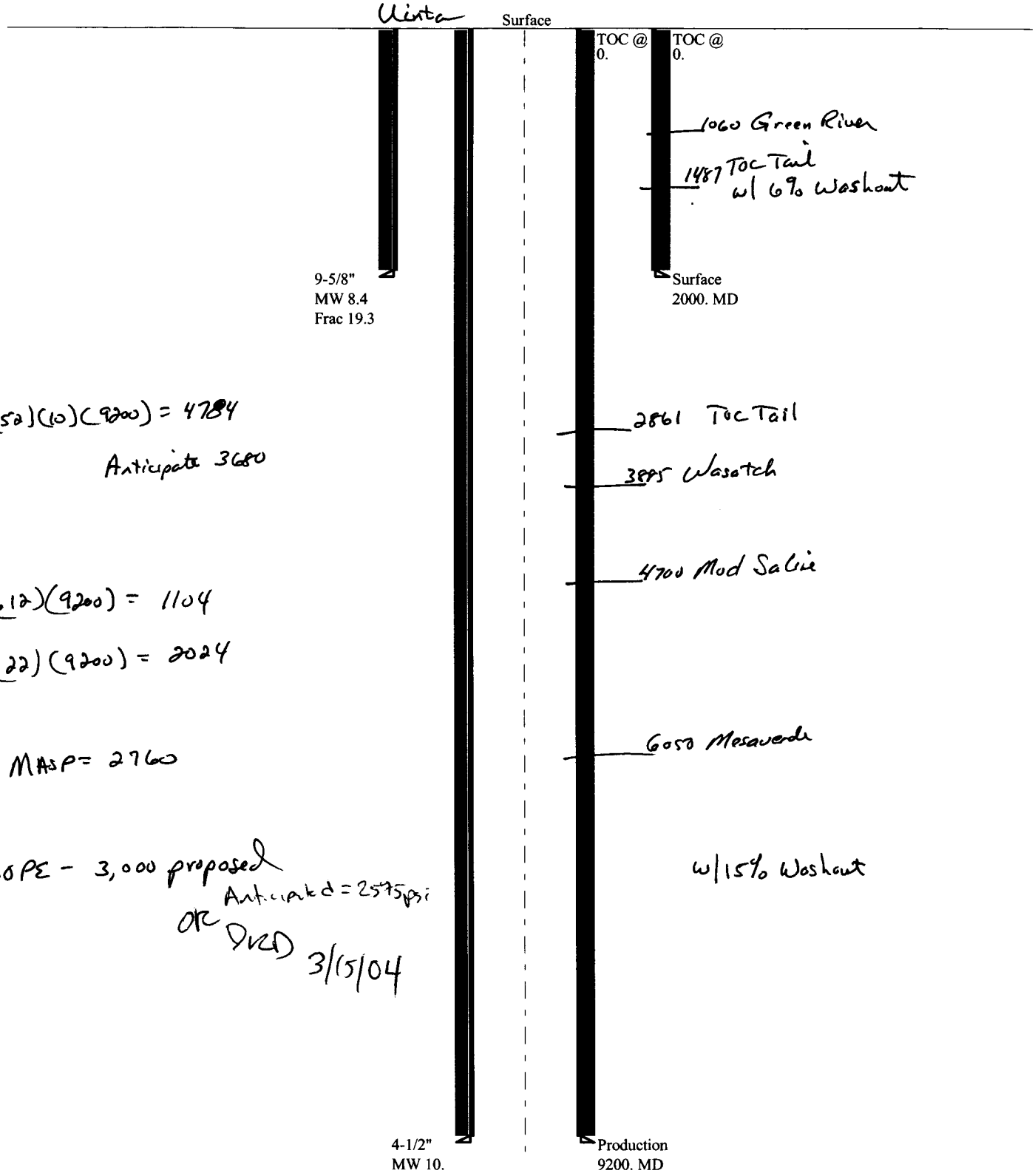

MAR 8 2004


MAR 8 2004


MAR 8 2004

03-04 Westport State 1022-36J

Casing Schematic



Well name:	**03-04 Westport State 1022-36J**
Operator:	**Westport Oil & Gas**
String type:	Surface
Project ID:	43-047-35513
Location:	Uintah County

Design parameters:

Collapse
Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 1,760 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,000 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 1,753 ft

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 103 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:
Next setting depth: 9,200 ft
Next mud weight: 10.000 ppg
Next setting BHP: 4,779 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,000 ft
Injection pressure 2,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2000	9.625	32.30	H-40	ST&C	2000	2000	8.876	126.8

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	873	1370	1.570	2000	2270	1.14	57	254	4.49 J

Prepared by: Clinton Dworshak, Utah Div. of Oil & Mining
Phone: 801-538-5280
FAX: 801-359-3940
Date: March 10,2004
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	**03-04 Westport State 1022-36J**
Operator:	**Westport Oil & Gas**
String type:	Production
Project ID:	43-047-35513
Location:	Uintah County

Design parameters:

Collapse
Mud weight: 10.000 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 3,675 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 4,779 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 7,825 ft

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 204 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: Surface

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	9200	4.5	11.60	M-80	LT&C	9200	9200	3.875	213.3

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	4779	6350	1.329	4779	7780	1.63	91	267	2.94 B

Prepared by: Clinton Dworshak, Utah Div. of Oil & Mining
Phone: 801-538-5280
FAX: 801-359-3940
Date: March 10,2004
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 9200 ft, a mud weight of 10 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

From: Ed Bonner
To: Whitney, Diana
Date: 2/23/04 8:49AM
Subject: Re: Westport's lease and bond

Westports Bond No. RLB 0005238 and lease nos ML 46531 and ML 46699 are OK.

004

State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

MICHAEL O. LEAVITT
Governor

OLENE S. WALKER
Lieutenant Governor

March 16, 2004

Westport Oil & Gas Company, L.P.
1368 S. 1200 E.
Vernal, UT 84078

Re: State 1022-36J Well, 1821' FSL, 1852' FEL, NW SE, Sec. 36, T. 10 South, R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-35513.

Sincerely,

John R. Baza
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA

Operator: Westport Oil & Gas Company, L.P.
Well Name & Number State 1022-36J
API Number: 43-047-35513
Lease: ML-46699

Location: NW SE **Sec.** 36 **T.** 10 South **R.** 22 East

Conditions of Approval

1. **General**
   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. **Notification Requirements**
   The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:
   - 24 hours prior to cementing or testing casing
   - 24 hours prior to testing blowout prevention equipment
   - 24 hours prior to spudding the well
   - within 24 hours of any emergency changes made to the approved drilling program
   - prior to commencing operations to plug and abandon the well

   The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):
   - Dan Jarvis at (801) 538-5338
   - Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**
   All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

7. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

8. Surface casing shall be cemented to the surface.

005

From: Ed Bonner
To: Whitney, Diana
Date: 5/5/2004 11:26:07 AM
Subject: Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Westport Oil & Gas Company
- NBU 922-29M
- Watts 923-2D
- State 1022-36J

Inland Production Company
- Ashley State 2-2-9-15
- Ashley State 3-2-9-15
- Ashley State 4-2-9-15
- Ashley State 5-2-9-15
- Ashley State 6-2-9-15
- Ashley State 7-2-9-15
- Ashley State 10-2-9-15
- Ashley State 11-2-9-15
- Ashley State 12-2-9-15
- Ashley State 13-2-9-15
- Ashley State 14-2-9-15
- Ashley State 15-2-9-15

If you have any questions regarding this matter please give me a call.

CC: Garrison, LaVonne; Hill, Brad; Hunt, Gil

006

From: "Upchego, Sheila" <SUpchego@kmg.com>
To: <Dianawhitney@utah.gov>
Date: 3/22/2005 2:51:02 PM
Subject: RE: Expired APDs

The State 1022-36J please recind the Permit to Drill Application, the Operator has decided to not to drill this location. If the operator wishes to pursue the location, the operator will submit another Application to Drill.

Sheila
-----Original Message-----
From: Upchego, Sheila
Sent: Tuesday, March 22, 2005 11:39 AM
To: 'Diana Whitney'
Subject: RE: Expired APDs

Diana,

I will pull each of these files, and I will send in a Sundry for them.

-----Original Message-----
From: Diana Whitney [mailto:dianawhitney@utah.gov]
Sent: Tuesday, March 22, 2005 11:36 AM
To: Upchego, Sheila
Subject: Expired APDs

Hi Sheila,

The following APDs have expired. Will you let me know what Westport want's to do with these

Love U 1121-11G
State 1022-36J
NBU 921-12B
NBU 921-12F
NBU 921-14I
NBU 921-14O
NBU 921-14L
NBU 921-22G
NBU 921-23E

Thank you,
Diana

007

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

MARY ANN WRIGHT
Acting Division Director

March 23, 2005

Sheila Upchego
Westport Resources Corp.
1368 South 1200 East
Vernal UT 84078

Re: APD Rescinded – State 1022-36J, Sec.36, T. 10S, R. 22E
Uintah County, Utah API No. 43-047-35513

Dear Ms. Upchego:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on March 16, 2004. On March 22, 2005, you requested that the division rescind the state approved APD.

No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 22, 2005. A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Whitney

Diana Whitney
Engineering Technician

cc: Well File
SITLA, Ed Bonner

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